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SUBJECT: GVN REACTS TO LABOR CASES IN JORDAN, MALAYSIA

REFS: A) HANOI 0246; B) HANOI 0247; C) HANOI 0249

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1. (SBU) Summary: The GVN is reacting to two recent high-profile labor cases, one involving 176 female garment workers on strike in Jordan and one regarding Vietnamese worker deaths in Malaysia. On March 13, Dao Cong Hai, Deputy Director General, Department of Overseas Labor of the GVN Ministry of Labor, Invalids and Social Affairs (MOLISA) gave Poloff updates on these cases. A GVN inter-ministerial delegation is in Jordan working with Jordanian labor officials as well as the International Organization for Migration (IOM) and International Labor Organization (ILO) to resolve this issue. According to MOLISA, the GVN will assist any overseas Vietnamese worker who wishes to return to Vietnam. GVN officials report that, while in general workers who break the terms of their contracts could face financial penalties, in this case it was the owner of the factory who broke the terms of the contract so the workers should not face any penalties. In response to the reports of a number of worker deaths in Malaysia, GVN Deputy Prime Minister Truong Vinh Trong on March 10 instructed MOLISA, MFA and the Ministry of Public Health (MPH) to launch an immediate joint effort together with the Vietnamese Embassy in Kuala Lumpur to address the issue and report to the government on the reasons behind the deaths as soon as possible. Malaysia is the largest destination country for overseas Vietnamese workers, with over 120,000 working primarily in construction, manufacturing and textiles. Though the GVN understands the issue of labor trafficking and has taken good steps to rein in labor recruitment firms, concerns remain about worker protections. End summary.

GARMENT WORKERS ON STRIKE IN JORDAN

2. (SBU) Vietnamese export labor is increasing steadily in the Middle East, with between 400 - 500 overseas guest workers in Jordan itself, mostly in the textile industry. The GVN has export labor MOUs with Saudi Arabia, Qatar and Oman; Bahrain is pending. The GVN has no export labor MOU with Jordan, which is a new market for Vietnam; the first Vietnamese workers there had arrived only five months ago, and a new group came out in the New Year, according to MOLISA.

TROUBLE IN JORDAN

3. (SBU) In late February, 176 female Vietnamese garment workers went on strike in Jordan over wages and work conditions. According to news reports on February 19, the strike turned violent as rival groups of Vietnamese workers allegedly attacked each other and then fought with Jordanian police. Several workers and police were injured. The workers alleged that the employer, W&D Apparel

Company, violated the terms of their contracts, paying them less than stipulated and requiring them to work significant overtime. The GVN has no Embassy in Jordan, but it dispatched regional MFA and MOLISA representatives to meet with the workers and collaborate with Jordanian officials to resolve the crisis. MOLISA also requested the two Vietnamese labor recruitment firms, Footwear Joint Stock Company and Vietnam Coal Joint Stock Company, to send "crisis teams" to Jordan.

14. (SBU) In a March 13 meeting with Poloff, Dao Cong Hai, MOLISA's Deputy Director General, Department of Overseas Labor told Poloff that the situation in Jordan was not yet resolved but that negotiations to resolve the crisis were ongoing, and a newly-established salary plan for the workers held hope. According to Hai, MOLISA and MFA delegations are in Jordan working with Jordanian labor officials as well as IOM and ILO. The owner of the employing firm is Taiwanese, Hai said, and both Vietnamese labor recruitment firms involved in the case have valid licenses from MOLISA. However, Hai said, there was a dispute on how salary payments were stipulated in the contracts and then actually paid, which triggered this particular crisis.

15. (SBU) According to Hai, the employer in Jordan noted that the workers' skill levels varied tremendously and so he arbitrarily went to a quota-based system, relating salary directly to productivity. This angered a number of the workers and many went on strike, resulting in an eventual scuffle between rival Vietnamese worker groups and then with Jordanian police. After initial negotiations with the employer and an agreement to raise salaries, some of the workers went back to work, but Hai said a core group of holdouts was "forcing" the majority to stay on strike.

16. (SBU) Separately, the GVN is quietly telling us that "external troublemakers" were involved in sparking the work action. After the conclusion of a separate meeting on other issues on March 14, Consular Department DG Duong Tri Dung told the DCM that the NGO Boat People SOS had instigated Vietnamese workers in Jordan to strike by

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promising them that the U.S. Embassy in Jordan would admit them for political asylum if they served as instigators. We understand that the Vietnamese Embassy in Washington is relating a similar line in discussions with the Department.

GOVERNMENT POLICY RE: CONTRACTS

17. (SBU) Hai told Poloff that contract responsibility is complicated when Vietnamese workers go overseas. There are three main players and contracts involved: between the worker and the destination employer, between the worker and the licensed Vietnamese labor recruitment firm, and between the recruitment firm and the destination employer. Each party must respect the terms of each contract they sign. If the worker violates the terms of the contract, he or she may be financially penalized by the company, and sometimes MOLISA has to step in to negotiate a financial resolution. Hai said that in no cases are workers jailed or physically abused for contract violations. MFA will assist any overseas Vietnamese worker that wishes to return to Vietnam, Hai said. He added that in practice, however, workers involved in disputes or other difficulties are "encouraged" to stay in country and work things out with the employer.

18. (SBU) Hai explained that it is not uncommon for Vietnamese workers to become homesick, for example. However, if they break the terms of their contracts, there are financial damages for the companies who paid for them to get there. Hai said financial penalties on workers who abandon their contracts and "break the law" exist and are sometimes levied. Hai clarified that the employer has to meet the contract conditions - if it is not, then workers who abandon their contracts cannot be penalized, although it is best to try to negotiate and avoid these situations where possible. In addition, there is a Labor Court in Vietnam where workers may file grievances.

WITHOLDING OF TRAVEL DOCUMENTS AN ONGOING ISSUE

¶9. (SBU) The normal practice in Vietnam is for an accompanying representative of the Vietnamese "sending company" or recruitment firm to withhold the passports of its contracted workers once they enter the labor destination country. Poloff was told that this is done for "security" purposes (so workers do not lose them as they are not used to holding passports) and also so workers do not abandon their position to go to another country or employer. Hai admitted that MOLISA does not have regulations on this. He said that MOLISA tells the recruiters not to withhold workers' travel documents, but they usually ask MOLISA for permission to do this and MOLISA acquiesces.

¶10. (SBU) Regarding concerns about forced labor and individuals being forced to remain in a country where they no longer want to live, Hai said that any worker who does want to return to Vietnam may do so granted certain conditions are met and, as in the Jordan case, MFA will assist workers in crises to return to Vietnam. Hai pointed out that many workers may use an overseas labor contract as a ruse to immigrate to a third country and this can damage the GVN's relations with that country and cause problems for the recruitment firm.

WORKER DEATHS IN MALAYSIA - A SEPARATE ISSUE

¶11. (SBU) Malaysia is the largest destination country for overseas Vietnamese workers, with over 120,000 working primarily in construction, manufacturing and textiles. A February BBC News article which reported 107 Vietnamese worker deaths in Malaysia last year and over 300 since 2004 sparked heavy press play in Vietnam and raised public concerns. In response, on March 10, GVN Deputy Prime Minister Truong Vinh Trong sent an official letter to MOLISA, MFA and the Ministry of Public Health (MPH) requesting their immediate joint efforts to work with the Vietnamese Embassy in Kuala Lumpur to address the Vietnamese worker deaths. The letter also requested a report to the government on the reasons behind the deaths as soon as possible.

¶12. (SBU) MOLISA and MPH had sent a delegation to Malaysia in 2004 to explore export labor conditions. Hai said the delegation's conclusion was that, while conditions of employment were adequate, workers' living conditions were not. Poor housing, sanitation and long commutes were common, and employers were asked to improve those conditions. In addition, as a result of that delegation's report, a GVN decree on health conditions and screening for overseas workers was issued.

¶13. (SBU) Hai said when the GVN looks at its overseas worker health

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screening system in comparison to other export labor countries, it is comparable. Nevertheless, MOLISA and MPH have already agreed on certain steps to review and improve worker health screening this year. In addition, Hai said the 107 deaths are not "statistically significant" given the 120,000 Vietnamese workers in Malaysia and that the journalist "exaggerated the situation." MOLISA also compared the statistics with reported worker deaths from other export labor nations, and found them to be comparable.

¶14. (SBU) The worker deaths in Malaysia are from multiple causes, Hai said, including occupational accidents, traffic accidents, pre-existing medical conditions not picked up on examination (such as heart defects), the difference in the weather, and heavy drinking by workers on weekends. Hai said it is not uncommon for Vietnamese workers to distill their own rice wine, and they are sometimes inadvertently poisoned. Hai said that in Malaysia workers compensation insurance is low and it takes a long time for Vietnamese families to get reimbursed. This had led many Vietnamese to complain to the government and to the media about work conditions in Malaysia, in particular.

¶15. (SBU) Poloff raised the issue of reports of gangs and organized crime operating in the Vietnamese worker community in Malaysia. Hai said that these problems do exist, and the GVN Ministry of Public

Security (MPS) is aware of the problem and working with its counterparts in Malaysia to combat it. He noted that one of the problems is that Vietnam and Malaysia have a visa waiver program, so criminals can easily travel to Malaysia and attempt to extort money from workers there.

COMMENT: QUICK REACTION BY GVN, ROOM FOR IMPROVEMENT

¶16. (SBU) As part of its economic development drive, Vietnam is hoping to ramp up export labor from 75,000 workers leaving each year to go abroad in 2007 to 110,000 by 2010. These two labor cases and the GVN's reaction to them show the GVN's heightened sensitivity to its international image, as well as its need to address public concerns. While the GVN's quick response to address these situations is positive, the regular withholding of workers' travel documents remains a significant concern. Vietnam has cooperated effectively with the international community to address sex- and foreign bride-related trafficking in persons, but it still has a long way to go in building up a legal system where all workers are protected and have well-understood and protected rights to petition. The domestic news focus on these issues is a very positive development. In the case of worker deaths in Malaysia, we expect it to drive further improvements.

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